

MAR 08 2019

SENATE CONCURRENT RESOLUTION

REQUESTING THAT THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
CREATE AN INTERIM WORKING GROUP TO REVIEW LAWS AND
REGULATIONS GOVERNING TIME SHARE PLANS.

1 WHEREAS, time shares are an important component of the
2 tourism industry in Hawaii with a consistent and dependable
3 visitor base bringing substantial tax dollars to the State even
4 during periods of economic turndown; and

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6 WHEREAS, the time share industry is heavily regulated under
7 existing state law, including administrative rules; and

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9 WHEREAS, the Department of Commerce and Consumer Affairs
10 Time Share Administrator has administrative oversight of time
11 share plans in Hawaii; and

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13 WHEREAS, a number of the laws and rules governing time
14 share plans in Hawaii may be outdated, unduly burdensome, or
15 even contradict the laws of other states; and

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17 WHEREAS, a comprehensive review of the laws and rules
18 governing time share plans in Hawaii and a proposal of revisions
19 based on best industry practices would aid the Department of
20 Commerce and Consumer Affairs in improving its oversight of
21 Hawaii's time share industry; now, therefore,

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23 BE IT RESOLVED by the Senate of the Thirtieth Legislature
24 of the State of Hawaii, Regular Session of 2019, the House of
25 Representatives concurring, that the Department of Commerce and
26 Consumer Affairs is requested to convene a working group in
27 order to conduct a comprehensive review of Hawaii's rules and
28 regulations concerning time share plans; and

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30 BE IT FURTHER RESOLVED that the working group shall be
31 comprised of at least the following members:
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- (1) The Director of the Department of Commerce and Consumer Affairs, or designee, who shall serve as chairperson of the working group;
- (2) The Time Share Administrator of the Department of Commerce and Consumer Affairs, or designee;
- (3) A representative from the American Resort Development Association; and
- (4) A representative from companies providing title and escrow services for the sale of an interest in a time share plan and licensed to do business in Hawaii; and

BE IT FURTHER RESOLVED that the working group is requested to consider:

- (1) Circumstances in which a time share consultant may be needed, including subject matter that may require the consultant's review or comment, and the time frame within which a consultant's report should be delivered to the Department of Commerce and Consumer Affairs and to the developer;
- (2) Circumstances in which an escrow bond may be used as a proxy for buyer's funds;
- (3) Activities which may be accomplished through a ministerial review or approved without review;
- (4) Whether time share registrations should not expire unless the developer or agency takes affirmative action;
- (5) Application of a "shot clock" provision to encourage timely review of filings;
- (6) Eliminating or providing waivers for listing title exceptions in the disclosure statement and filing copies of title encumbrances as part of the registration process is preferred;



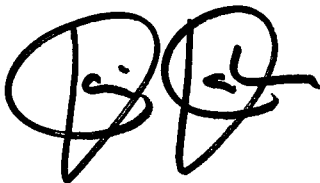
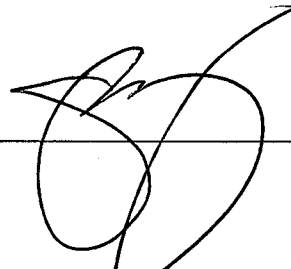
- (7) Improved methods for streamlining or otherwise addressing other statutory and regulatory requirements;
- (8) The use of Notice to Purchasers which serves to notify purchasers of material changes to the plan, such as the addition of new component sites or inventory, while such changes are being reviewed;
- (9) Whether or not a comprehensive rewrite of chapter 514E, Hawaii Revised Statutes, is needed; and
- (10) Any other relevant issues that may arise, pursuant to the discretion of the working group; and

BE IT FURTHER RESOLVED that the working group will cease to exist on June 30, 2020; and

BE IT FURTHER RESOLVED that the working group is requested to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2020; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Director of the Department of Commerce and Consumer Affairs and the President of the Board of Directors of the American Resort Development Association.

OFFERED BY:

Clarence K. Kishibe

